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**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**R STREET SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

**MINUTES OF MEETING
OPEN SESSION**

FEBRUARY 10, 2006

The open session meeting of the R Street Subcommittee of the Investment Committee was held on Friday, February 10, 2006, in the Lincoln Plaza Building, 400 Q Street, Room 1140, Sacramento, California.

The meeting was called to order at 1:15 p.m. The following members were present:

Charles Valdes, Chair
Robert Carlson, Vice Chair
Priya Mathur
Kurato Shimada
Ron Alvarado, Advisor to Subcommittee

Other Board Members Present:

Nick Smith, representing the State Controller's Office
Rosalind Brewer, representing the State Treasurer's Office

After roll call of the subcommittee, Ms. Rosalind Brewer, representing the Treasurer's Office, read this statement to the Subcommittee to be included in the record referring to Item 3:

The Treasurer disqualified himself from participating in, making, or attempting to influence any CalPERS decisions regarding residential development within the R Street Project area, including any update on residential development during the R Street Subcommittee report to be made during Open Session Item 3 on February 10, 2006. In February 2005, Bill Cummins became a source of income to the Treasurer for purposes of the Political Reform Act. Based on the information provided by CalPERS in response to an inquiry from the Treasurer's Office, it has come to our attention that Mr. Cummins owns property within the R Street Project area. Therefore, in an abundance of caution, the Treasurer will disqualify himself from this matter.

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Ms. Brewer subsequently left the room and did not return to the meeting.

AGENDA ITEM 2 – APPROVAL OF THE DECEMBER 9, 2005 OPEN SESSION MINUTES

The minutes were approved as presented.

AGENDA ITEM 3 – REAL ESTATE UPDATE ON R STREET RESIDENTIAL DEVELOPMENT

Ms. Pat Macht, Public Affairs Chief, recapped the community open house held on Thursday, February 2, 2006, sponsored by the City, CalPERS, Capital Area Development Authority (CADA), and the State of California Department of General Services to discuss R Street developments from the Riverfront Docks to Twenty-ninth Street. Display boards were used to show a map of this area with 26 properties developed, under development, or on their way to be developed. Over 200 people attended. CADA setup a Website at www.rstreet.info for community and developers to follow development of R Street Corridor.

Mr. Bob Langhi, Investment Officer, provided an update on residential development and presented to the subcommittee the PowerPoint presentation he made at the open house.

Attached are the brochure provided at the February 2, 2006, open house and articles related to the R Street Corridor that were handouts at this meeting.

AGENDA ITEM 4 – R STREET MANAGER'S REPORT

Ms. Pat Macht reported that the building dedication and opening events will take place around the May Board Meeting. No other new information was provided.

AGENDA ITEM 5 – PROPOSED AGENDA FOR THE MARCH 10, 2006, R STREET SUBCOMMITTEE MEETING

The Subcommittee approved the proposed agenda for March 10, 2006, with an additional item to present to the general public CalPERS intention to re-evaluate the construction on the podium site.

The meeting was adjourned at 1:47 p.m.

The next scheduled meeting of the R Street Subcommittee is March 10, 2006.